

# POSTAL NEWS

No. 153/2009

**Formulated by UNI-Japan Post in cooperation with UNI-Apro,  
ASPEK Indonesia and SPPI**

- 1. CSC Wins \$46 Million U.S. Postal Service Contract to Manage and Operate Detroit Service Center. Sept 8, 2009.**
- 2. Paid to do nothing . Sept 7, 2009.**
- 3. Maine postal office faces uncertain future. Sept 7, 2009.**
- 4. Postal Service Must Borrow to Pay Retiree Health Benefits by End of Month . Sept 9, 2009.**

- 1. CSC Wins \$46 Million U.S. Postal Service Contract to Manage and Operate Detroit Service Center.**

Tue Sep 8, 2009 8:30am EDT

FALLS CHURCH, Va., Sept. 8 /PRNewswire-FirstCall/ -- CSC (NYSE: CSC) announced

today that it has won a contract to provide technical and management support for the U.S. Postal Service's (USPS) Mail Transportation Equipment Service Center (MTESC) in Detroit, Mich. The contract has a three-year base period and two two-year options, bringing the estimated total seven-year value to \$46 million.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20090422/CSCLOGO>)

Under the terms of the contract, CSC will provide program management, quality assurance, technical support and third-party logistical services for the USPS repair facilities. CSC has provided management and logistical support for other MTECs across the nation for more than ten years.

"CSC is proud that the Postal Service continues to count on us to support their operational needs and the direct mailing industry," said Alan B. Weakley, president of CSC's North American Public Sector Applied Technology Group. "CSC delivers distinct services and solutions to address dynamic logistics and supply chain challenges and enable our customers worldwide to improve readiness, increase speed and lower costs."

CSC won the USPS Supply Management 2007 Supplier Performance Award in recognition of the company's leadership in the supply industry and for helping the USPS operate at its best in delivering quality products and service to the

American public.

#### About CSC

CSC is a global leader in providing technology-enabled solutions and services through three primary lines of business. These include Business Solutions and Services, the Managed Services Sector and the North American Public Sector. CSC's advanced capabilities include systems design and integration, information technology and business process outsourcing, applications software development, Web and application hosting, mission support and management consulting. Headquartered in Falls Church, Va., CSC has approximately 92,000 employees and reported revenue of \$16.2 billion for the 12 months ended July 3, 2009. For more information, visit the company's Web site at [www.csc.com](http://www.csc.com).

#### SOURCE CSC

Caroline Longanecker, Senior Manager, Communications, North American Public Sector, +1-703-205-6130, [clonganecker@csc.com](mailto:clonganecker@csc.com), or Rich Venn, Manager, Media Relations, Corporate, +1-310-615-3926, [rvenn@csc.com](mailto:rvenn@csc.com), or Bryan Brady, Vice President, Investor Relations, Corporate, +1-703-641-3000, [investorrelations@csc.com](mailto:investorrelations@csc.com), all of CSC

© Thomson Reuters 2009 All rights reserved

000

## **2. Paid to do nothing**

11,000-plus postal workers idle at any given time

By GREGG CARLSTROM

September 07, 2009

The U.S. Postal Service, struggling with a massive deficit caused by plummeting mail volume, spends more than a million dollars each week to pay thousands of employees to sit in empty rooms and do nothing.

It's a practice called "standby time," and it has existed for years — but postal employees say it was rarely used until this year. Now, postal officials say, the agency is averaging about 45,000 hours of standby time every week — the equivalent of having 1,125 full-time employees sitting idle, at a cost of more than \$50 million per year.

Mail volume is down 12.6 percent compared with last year, and many postal supervisors simply don't have enough work to keep all employees busy. But a thicket of union rules prevents managers from laying off excess employees; a recent agreement with the unions,

in fact, temporarily prevents the Postal Service from even reassigning them to other facilities that could use them.

So they sit — some for a few hours, others for entire shifts. Postal union officials estimate some 15,000 employees have spent time on standby this year.

They spend their days holed up in rooms — conference rooms, break rooms, occasionally 12-foot-by-8-foot storage closets — that the Postal Service dubs “resource rooms.” Postal employees use more colorful names, like “holding pens” and “blue rooms.”

“It’s just a small, empty room. ... It’s awful,” said one mail processing clerk who has spent four weeks on standby time this summer. “Most of us bring books, word puzzles. Sometimes we just sleep.”

Employees interviewed said they hate the practice, which relegates them to hours of boredom each day. Postal managers don’t like it, either — but they say declining mail volume makes it necessary.

“Volume has dropped, we don’t get the same mail receipts we used to get, and our overtime is already pretty much nil,” said Edward Jackson, the plant manager at the mail processing facility in Washington, D.C. “But we still have to keep them in a pay status. So we put them in the standby rooms.”

‘The employees resent it’

Standby time has mostly affected employees represented by the American Postal Workers Union (APWU), which represents roughly 220,000 full-time postal employees, mostly clerks and maintenance workers at post offices and large processing centers. The Postal Service’s collective bargaining agreement with APWU includes a no-layoff clause for employees with more than six years on the job. It also includes a guarantee of eight hours’ pay for eight hours’ work.

Lately, though, supervisors have been forced to stretch the definition of work.

“They just instruct employees to report to these holding areas,” said William Burrus, APWU’s president. “The employees resent it. ... They can’t work, they can’t read, they just sit there.”

The employees are still available to work; Some spend a few hours on standby and then move back to the floor when a shipment of mail arrives.

But others clock in, report to the resource rooms, and clock out eight hours later — never once interacting with customers or touching a piece of mail.

Letter carriers haven’t been affected by standby time. That’s partly because the delivery network keeps growing, by 1.5 million addresses each year, and partly because the Postal Service recently consolidated delivery routes, eliminating more than 2,000 city carrier positions.

Employees are often forbidden from doing almost anything while on standby time. In some facilities, the employees aren’t allowed to do anything they couldn’t normally do on the job. That means no books, no playing cards, no watching television.

“We want to make sure they uphold the rules and regulations of the Postal Service,” Jackson said. “So we try to rein them in while they’re in those rooms.”

Nor can supervisors require employees to brush up on their training. One mail handler in Pennsylvania said a supervisor used to force employees on standby time to read postal manuals.

“The local union shop filed a grievance against the Postal Service,” said the employee, who asked to remain anonymous because of concerns about retaliation. “We’re on standby time, not training time. Standby time is different. ... You can’t make people read training materials on standby time.”

Several mail handlers said that recently — after weeks or months of standby time at their mail processing facilities — supervisors started allowing employees to break the rules and read or play cards.

“We’re just sitting in an empty conference room. It’s not even a break room,” complained one clerk in Fort Myers, Fla. “But at least when I’ve been in there I’ve been able to read my own books.”

A union local elsewhere in Florida installed a television in a resource room to provide some entertainment for employees.

A growing problem

It’s impossible to say how many resource rooms exist around the country. Neither the Postal Service nor the unions keep track of them at a national level. It’s clearly a national problem, though: Federal Times interviewed employees from more than a half-dozen states, from New York to Texas, who have been placed on standby time.

The problem is worst in Florida, because mail volume has fallen much faster than the national average. Several regions in Florida have reported drops as high as 18 percent compared with last year.

Standby time is allowed under the Postal Service’s collective bargaining agreements with its workers. But union leaders say it is supposed to be an occasional, unplanned event, a way to fill a couple of hours at the end of a slow day. The Postal Service agrees; officials say standby time was supposed to be used sporadically — and only for a few hours at a time, not for entire shifts.

Postal workers say that provision is routinely ignored. Sam Wood, the president of the APWU local in southwest Florida, said 58 employees from the Fort Myers processing facility — roughly 10 percent of its workforce — have been told they will be placed on standby until they can be reassigned to another facility. Employees say it will likely be months until that reassignment happens.

The Postal Service says it has no choice but to use standby time because of its union contracts. Postal workers suspect otherwise. Some say they believe management wants them to resign in protest; others think the Postal Service will try to eliminate the no-layoff clause in the next round of contract talks slated for next year.

“I think they’re trying to prove that they don’t need people in the stations,” Wood said.

“Management says, ‘We can do without these employees.’ ”

Standby time, for now, is largely confined to mail processing facilities — though it is beginning to spread to retail post offices. The three post offices in Key West, Fla., employ 27 people. But under a schedule recently drafted by postal supervisors, 15 of them would spend at least part of their week on standby time.

“Not everybody will be in there for the whole day, but the majority of [the 15 people] will spend most of the day in there,” said Jack Baldwin, a window clerk at the Key West post office.

Postal supervisors in Key West — like several other supervisors around the country — did not respond to requests for comment.

Standby time has also been used, albeit rarely, as a form of punishment. Bob Patterson, an APWU union steward in Oregon, said an employee was put on standby time earlier this year for three or four hours a day as punishment for complaining about working conditions. The punishment lasted several months; the resource room, in this employee's case, was a 12-by-8 storage closet.

"There was productive work she could be performing," Patterson said.

Trimming the workforce

Managers say standby time is a response to falling mail volume — and the fact that there are simply too many employees.

They've been trying to trim the workforce for more than a year, offering four rounds of early retirements since the beginning of 2008. And on Aug. 25, the Postal Service announced \$15,000 buyouts for all employees willing to leave, including those not yet eligible for retirement. The Postal Service, which currently employs 636,000 full-time employees, is hoping as many as 30,000 workers will accept the offer.

"Thirty thousand employees, that's how much we're overstaffed," said Mark Saunders, a spokesman for the Postal Service. "That's a big reason behind our incentives. ... The majority of the employees who are asking to leave right now, they work in our [mail processing plants]," the same facilities that have problems with standby time.

The Postal Service, which is facing a \$7 billion deficit this year, is taking a number of increasingly desperate measures to cut costs. Management is on pace to cut 100 million work hours this year. The agency is under a nationwide hiring freeze. And Postmaster General John Potter has asked Congress for permission to switch to five-day mail delivery.

Union leaders admit the Postal Service has too many employees — and they're hopeful the recent buyout offer will lead to a cutback in standby time.

Standby time "is clear evidence that we have a surplus of employees," Burrus acknowledged. "I hope our people accept the buyouts."

Postal supervisors can sometimes avoid standby time through reassignments, a practice called "excessing." But that practice has been suspended until Oct. 9 under the terms of the buyout agreement between the Postal Service, APWU, and the National Postal Mail Handlers Union.

That means even more postal employees are likely headed for standby rooms. Employees at the mail processing facility in Lakeland, Fla., for example, say 20 to 25 employees will be serving standby time for the next few months. The Postal Service is trying to consolidate the Lakeland facility with one in nearby Tampa; the employees on standby in Lakeland will eventually be reassigned to other facilities.

One clerk at the facility said the employees have been told "they will not be allowed to listen to personal audio devices, no reading of nonpostal materials, and that talking will be at a minimum."

Standby time is likely to become an issue on Capitol Hill once Congress returns from its recess this week: Jenny Rosenberg, a spokeswoman for the House Oversight and Government Reform Committee, said the committee "will look into [these] concerns." Tell us what you think. E-mail Gregg Carlstrom.

### **3. Maine postal office faces uncertain future**

September 07, 2009 1:42 PM

PORTLAND, Maine (AP) — The U.S. Postal Service is considering closing a post office in Portland's West End as part of a nationwide drive to reduce huge budget deficits.

The branch was one of more than 3,600 nationwide that the Postal Service listed for possible closure. The list was whittled recently to 413, and the Congress Street branch is the only one targeted in northern New England.

The West End branch is within a half-mile of a branch at 400 Congress St. and Portland's main post office on Forest Avenue.

Scott Adams, a postal employee who represents the American Postal Workers Union, said the West End branch has many elderly and handicapped users. Many don't have checking accounts and use the post office to cash government checks and buy money orders to pay their bills.

000

### **4. Postal Service Must Borrow to Pay Retiree Health Benefits by End of Month**

Monday, September 07, 2009

By the end of this month, when its fiscal year ends, the U.S. Postal Service will have lost \$7 billion in 2008-2009, and it will need a loan from the U.S. Treasury just to pay for health benefits for retired postal workers. USPS's cash on hand, which will be \$700 million in the red by September 30, will make it impossible to meet a \$5.8 billion obligation to cover retiree health benefits unless Congress adopts emergency legislation raising the Postal Service's ability to borrow more money.

The "good" news contained in the USPS's July financial statement showed the postal operation lost \$865 million that month, compared with the \$1.3 billion loss it posted at the end of June.

000

Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : [chairulanwar49@operamail.com](mailto:chairulanwar49@operamail.com), [uyungchairul@plasa.com](mailto:uyungchairul@plasa.com).